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U.S. DEPARTMENT  
OF AGRICULTURESimilarities Between  
the Activities of the  
Department and Other  
Federal Agencies

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Resources, Community, and  
Economic Development Division

B-281429

December 9, 1998

The Honorable John R. Kasich  
Chairman, Committee on the Budget  
House of Representatives

Dear Mr. Chairman:

The U.S. Department of Agriculture (USDA) is one of the oldest and largest civilian agencies in the federal government, with about 100,000 employees and budget obligations totaling \$76 billion in fiscal year 1997. The Department's original mission—to conduct activities related to agriculture—has evolved significantly. Today, in addition to agriculture programs, USDA administers over 200 programs in such diverse areas as economic development; food assistance; food safety; international trade and marketing; and land management.

Given the range of the Department's activities, you asked us to identify those that are similar to the activities conducted by other federal agencies and to discuss USDA's efforts to comply with the requirements of the Government Performance and Results Act.<sup>1</sup> In response, we identified apparently similar activities, such as food safety and land management, that are carried out by more than one agency; examined previous GAO reports that highlight these similarities; and reviewed the goals of the Government Performance and Results Act and USDA's efforts to comply with it. Our analysis highlights many of the activities that are apparently similar. However, USDA's activities may not be directed at the same clientele as those carried out by other federal agencies, and other agencies' activities may be only a part of their overall mission. Our analysis did not determine all of the similar activities nor the extent of any overlap or duplication. To make such determinations would require a substantially more detailed analysis, which was beyond the scope of our review.

We identified similar activities by (1) identifying those federal budget functions and subfunctions in which both USDA and other federal agencies

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<sup>1</sup>The act is designed to improve the efficiency and effectiveness of federal programs by establishing a system to set goals for program performance and to measure results. The act requires executive agencies to prepare multiyear strategic plans, annual performance plans, and annual performance reports.

spent funds;<sup>2</sup> (2) comparing USDA's missions, objectives, and goals as outlined in the Department's strategic and annual performance plans with those of other departments;<sup>3</sup> (3) reviewing the U.S. Government Manual, agency documents, and other relevant documents to determine activities other agencies conduct; and (4) reviewing prior GAO reports on related topics.

## Results in Brief

Many of USDA's activities—such as those related to food safety, land management, international trade, economic development, housing, statistics, and nutrition—appear to be similar to those of other federal agencies. For example, food inspection services are provided by both USDA's Food Safety and Inspection Service and the Department of Health and Human Services' (HHS) Food and Drug Administration. We have reported on the fundamental management problems some of these similarities create for USDA and have, in some cases, recommended organizational changes. For example, some of the land management activities of USDA's Forest Service and of the Department of the Interior's Bureau of Land Management, National Park Service, and Fish and Wildlife Service are similar; we have reported that land management activities could be carried out more efficiently and effectively either by combining these agencies or by coordinating and integrating their functions, activities, and field locations.<sup>4</sup>

The Government Performance and Results Act was designed in part to help address apparent similarities in agencies' activities by requiring federal agencies to prepare annual performance plans, including an explanation of how the agencies will coordinate their similar activities. However, as we reported in June 1998, while most of USDA's component agencies' plans at least partially discussed the need to coordinate with the agencies having related strategic or performance goals, the Department's fiscal year 1999 annual performance plan did not explain how USDA

<sup>2</sup>USDA makes expenditures in 10 of the 17 budget functions concerned with broad areas of need. These 10 include Agriculture, Commerce and Housing Credit, Community and Regional Development, Energy, General Government, Health, Income Security, International Affairs, Natural Resources and Environment, and Transportation.

<sup>3</sup>An agency's strategic plan includes a mission statement, long-term general goals and objectives, and a description of how the agency intends to achieve those goals through its activities. It also explains key external factors that could significantly affect the achievement of those goals. An annual performance plan contains an agency's annual performance goals to gauge its progress toward accomplishing its strategic goals.

<sup>4</sup>Federal Land Management: Streamlining and Reorganization Issues (GAO/T-RCED-96-209, June 27, 1996).

agencies are coordinating crosscutting issues both within and outside the Department.<sup>5</sup>

## Background

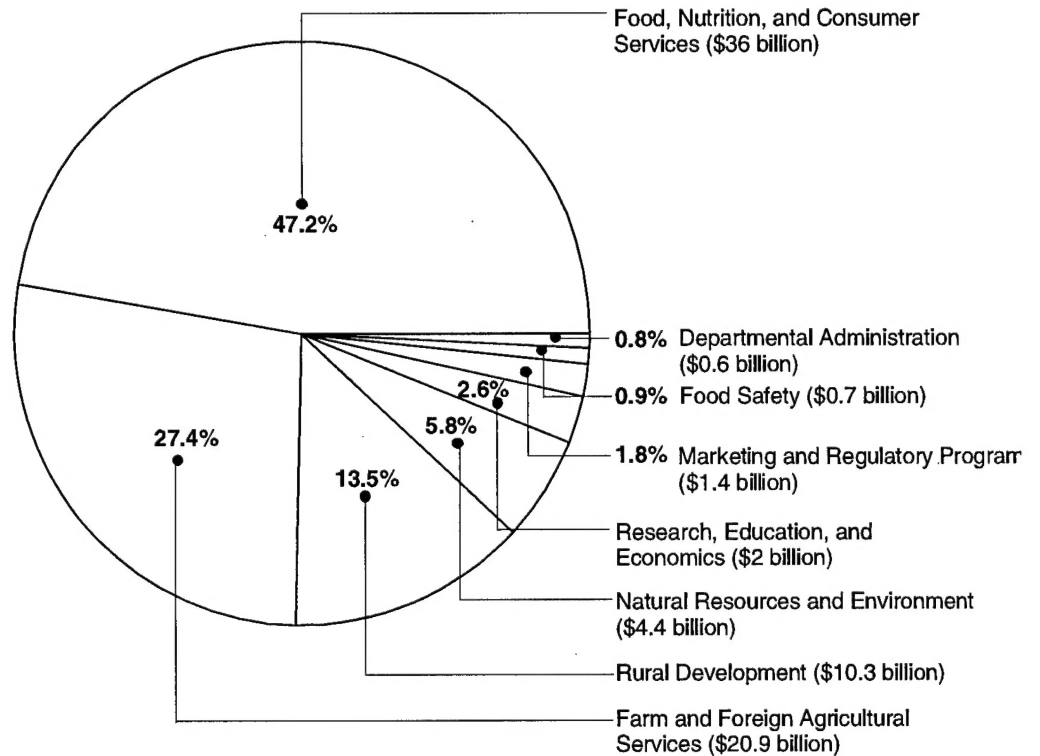
When USDA was established in 1862, more than half of the American workforce was engaged in farming. The Department's objectives, as outlined by the first Commissioner of Agriculture, were to (1) collect, arrange, and publish statistical and other useful agricultural information; (2) introduce valuable plants and animals; (3) answer farmers' inquiries on agriculture; (4) test agricultural implements; (5) conduct chemical analyses of soils, grains, fruits, plants, vegetables, and manures; (6) establish a professorship of botany and entomology; and (7) establish an agricultural library and museum.

Since then, new needs and problems have caused USDA's responsibilities to expand greatly. USDA's current departmental mission is to enhance the quality of life for the American people by (1) supporting production agriculture; (2) ensuring a safe, affordable, nutritious, and accessible food supply; (3) caring for agricultural, forest, and range lands; (4) supporting the sound development of rural communities; (5) providing economic opportunities for farm and rural residents; (6) expanding global markets for U.S. agricultural and forest products and services; and (7) working to reduce hunger in America and throughout the world. To accomplish this overall mission, USDA has organized its agencies into seven mission areas: Farm and Foreign Agricultural Services; Food, Nutrition, and Consumer Services; Marketing and Regulatory Programs; Food Safety; Natural Resources and Environment; Research, Education, and Economics; and Rural Development. Appendixes I through VII describe USDA's seven mission areas in more detail, including a description of each agency's mission and activities, similarities to other federal agencies, and prior GAO reports discussing these similarities.

Figure 1 shows, by mission area, how USDA funds were obligated in fiscal year 1997.

<sup>5</sup>Results Act: Observations on U.S. Department of Agriculture's Annual Performance Plan for Fiscal Year 1999 (GAO/RCED-98-212R, June 10, 1998).

**Figure 1: USDA's Budget Obligations by Mission Area, Fiscal Year 1997**



Note: Obligations totaled \$76 billion.

Source: Budget of the United States Government, Fiscal Year 1999.

Concerning organizational structure, we have reported that the number and diversity of USDA's responsibilities create fundamental management problems for the Department.<sup>6</sup> These include difficulties in the following areas:

- establishing a meaningful set of overarching departmentwide objectives because several of USDA's current responsibilities are not related to one another or may conflict;
- managing a conglomerate of many independent agencies and offices; and

<sup>6</sup>Federal Management: Overview of Major Management Issues Facing Executive Agencies (GAO/OCG-98-1R, Jan. 9, 1998).

- effectively carrying out responsibilities, such as those in the food safety and food assistance areas, that are part of broader federal efforts shared among several federal agencies.

## Many of USDA's Activities Seem Similar to Those of Other Federal Agencies

We identified a number of similar activities performed by both USDA and other agencies through our analysis of USDA and other agencies' budget functions, mission statements, strategic and annual performance plans, and other agency documents, as well as the U.S. Government Manual and past GAO reports. For example, food inspection services are provided by both USDA's Food Safety and Inspection Service and HHS' Food and Drug Administration; land management activities are carried out by the Forest Service and three agencies within the Department of the Interior; and statistical activities are carried out by USDA's National Agricultural Statistics and Economic Research Services and at least nine other federal agencies. These apparent similarities and others related to international trade, economic development, rural housing, and nutrition are discussed in greater detail below and in appendixes I through VII.

### Food Safety Inspection Activities

USDA's Food Safety and Inspection Service—in USDA's food safety mission area (see app. I)—regulates the safety, wholesomeness, and proper labeling of most domestic and imported meat and poultry sold for human consumption. The Food and Drug Administration, through its inspection activities, is similar to FSIS in the way it carries out its responsibilities for ensuring that domestic and imported food products—except for most meats and poultry—are safe, sanitary, nutritious, and wholesome and are honestly labeled. We have reported that this division of responsibility is ineffective and inefficient and have recommended the formation of a single food safety agency.<sup>7</sup> On August 25, 1998, the President issued an executive order establishing the President's Council on Food Safety to develop a comprehensive strategic plan for federal food safety activities, including a coordinated food safety budget.

### Land Management Activities

USDA's Forest Service—part of USDA's Natural Resources and Environment mission area (see app. II)—is responsible for sustaining the health, productivity, and diversity of the nation's forests and rangelands. At least three other federal agencies—the Bureau of Land Management, the Fish and Wildlife Service, and the National Park Service within the Department

<sup>7</sup>Food Safety: Opportunities to Redirect Federal Resources and Funds Can Enhance Effectiveness (GAO/RCED-98-224, Aug. 6, 1998); Food Safety: Fundamental Changes Needed to Improve the Nation's Food Safety System (GAO/T-RCED-98-24, Oct. 8, 1997).

of the Interior—perform some similar land management activities. We have reported that the responsibilities of these four major federal land management agencies have grown more alike over time. Because these agencies perform numerous similar activities and have complex and sometimes conflicting laws governing their land management activities, we have concluded that these activities could be carried out more efficiently and effectively either by combining the agencies or by streamlining the existing structure through the coordination and integration of functions, activities, and field locations.<sup>8</sup>

## International Trade Activities

USDA's Foreign Agricultural Service—part of USDA's Farm and Foreign Agricultural Services mission area (see app. III)—serves U.S. agriculture's international interests by expanding export opportunities for U.S. agricultural, fish, and forest products. At least two other federal agencies are also involved in international trade. The Department of Commerce's International Trade Administration promotes U.S. exports. The U.S. Trade and Development Agency—an independent federal agency—helps U.S. companies, including those involved in agriculture, pursue overseas business opportunities. We have reported that federal export activities are fragmented among several agencies and could better serve the nation's business interests through closer cooperation.<sup>9</sup> Currently, USDA is part of an interagency Trade Promotion Coordinating Committee, along with the Departments of State and Commerce, that has been charged with developing a governmentwide strategic plan for strengthening federal export promotion services. According to USDA officials, improvements in coordination have been made with the other agencies.

## Economic Development Activities

USDA's Rural Business-Cooperative Service—part of the Department's Rural Development mission area (see app. IV)—provides loans and grants for economic and business development in rural communities. At least four other agencies—the Department of Commerce's Economic Development Administration, the Department of Housing and Urban Development (HUD), the Small Business Administration, and the Appalachian Regional Commission—provide similar services. All of these agencies provide loans and/or grants for the economic development of

<sup>8</sup>Federal Land Management: Streamlining and Reorganization Issues (GAO/T-RCED-96-209, June 27, 1996).

<sup>9</sup>Export Promotion: Governmentwide Plan Contributes to Improvements (GAO/T-GGD-94-35, Oct. 26, 1993); Export Promotion: Initial Assessment of Governmentwide Strategic Plan (GAO/T-GGD-93-48, Sept. 29, 1993); Export Promotion: Governmentwide Strategy Needed for Federal Programs (GAO/T-GGD-93-7, Mar. 25, 1993).

communities throughout the nation. However, while the activities of some of these agencies, such as RBS, are national in scope, others have a more narrowly focused clientele. For example, the Appalachian Regional Commission supports economic development only in Appalachia.

## Housing Activities

USDA's Rural Housing Service—part of USDA's Rural Development mission area (see app. IV)—provides direct and guaranteed housing loans to borrowers in rural communities. HUD and the Department of Veterans Affairs perform similar activities, but their clienteles are somewhat different. We have reported that although a number of other federal programs share in HUD's mission to assist households that may be underserved by the private market, none reach as many households as does HUD's Federal Housing Administration (FHA).<sup>10</sup>

## Statistical Activities

USDA's National Agricultural Statistics Service (NASS)—in USDA's Research, Education and Economics mission area (see app. V)—is responsible for serving agriculture and its rural communities by providing objective statistical information and services. There are 11 principal federal statistical agencies, including NASS and USDA's Economic Research Service. We have reported that while this decentralized system contributes to inefficiency, consolidating this function could result in diminished responsiveness to some customers and possible objections to the concentration of data in a single agency.<sup>11</sup>

## Nutrition Activities

USDA's Food and Nutrition Service—part of the Department's Food, Nutrition, and Consumer Services mission area (see app. VI)—provides children and needy families with access to a more healthful diet through its food assistance programs and nutrition education efforts. HHS performs some similar food assistance and nutrition education activities. For example, HHS' Maternal and Child Health Bureau provides nutrition education activities that are similar to those of FNS' Special Supplemental Nutrition Program for Women, Infants, and Children program. Both agencies provide funding to the states to meet the nutritional and developmental needs of mothers and children. In addition, both HHS and FNS conduct similar activities to improve the nutrition of the elderly. We have reported that one alternative to reducing costs and streamlining

<sup>10</sup>Homeownership: FHA's Role in Helping People Obtain Home Mortgages (GAO/RCED-96-123, Aug. 13, 1996).

<sup>11</sup>Statistical Agencies: Consolidation and Quality Issues (GAO/T-GGD-97-78, Apr. 9, 1997).

operations in USDA would be to consolidate the meal programs for the elderly in HHS, thereby giving the funding responsibility to the agency that provides the most funding and has overall oversight responsibilities for meal programs for the elderly.<sup>12</sup>

## GPRA Provides Framework for USDA and Other Federal Departments to Identify and Coordinate Similar Activities

The Government Performance and Results Act of 1993 seeks to focus government decision-making and accountability on the results of activities. The act requires federal agencies to prepare annual performance plans, including an explanation of how similar activities will be coordinated with other agencies.

As we reported in June 1998, while the plans of most of USDA's component agencies at least partially discussed the need to coordinate with agencies having related strategic or performance goals, many of these fiscal year 1999 annual performance plans did not explain how this coordination would be accomplished. For example, although the Forest Service's performance plan emphasized efforts to ensure sustainable ecosystems, it did not discuss how the Service would coordinate its efforts with those of other agencies having a similar goal, including the Natural Resources Conservation Service; the Environmental Protection Agency (EPA); the Department of Interior; state conservation agencies; or environmental, timber, and industrial organizations.

## Scope and Methodology

We used several methods to identify similar activities at USDA and other federal agencies. We compared USDA's expenditures by budget function and subfunction with those of other federal agencies. We also compared USDA's missions, objectives, and goals with those of other departments, as identified in the departments' strategic and performance plans. We reviewed the U.S. Government Manual, agency documents, and other pertinent documents to determine other activities agencies conduct. Finally, we reviewed prior GAO reports that dealt with these particular agencies and issues. Individually, these methods have some limitations, as discussed below. However, collectively, these methods allowed us to identify most of the more significant similarities between USDA and other agencies.

Budget function and subfunction classifications are intended to provide a means of identifying budget data according to the major purpose served. Since 1979, the Office of Management and Budget has tried to use

<sup>12</sup>Food Assistance Programs (GAO/RCED-95-115R, Feb. 28, 1995).

subfunctions to more discretely portray the missions of the federal government. However, in some cases, this process aggregates very different activities. For example, USDA's Food Safety and Inspection Service is categorized under Consumer and Occupational Health and Safety along with other agencies, such as the Consumer Product Safety Commission and the Department of Labor's Mine Safety and Health Administration, which have no activities related to food safety. This process also leaves out agencies that previous GAO reports have identified as conducting activities concerning food safety, such as the Centers for Disease Control and Prevention and EPA.

We also reviewed USDA's and some of the other agencies' strategic and performance plans to identify similar activities. While we found similar missions and objectives, this review did not produce information on whether the activities these agencies performed were similar. For example, while the Forest Service and the Bureau of Land Management have a very similar mission, only some of the activities conducted by these agencies are similar.

Finally, we reviewed the U.S. Government Manual, agency documents, other relevant documents, and prior GAO reports to supplement the information we found from our analysis of budgets and strategic plans. We have written a number of reports on selected aspects of the responsibilities and performances of USDA's agencies. We discuss many of these reports' findings on similarities in agencies' activities in appendixes I through VII.

Our analysis highlights many of the activities that are apparently similar but does not determine all of the similar activities nor the extent of any overlap. To make such determinations would require a substantially more detailed analysis, which was beyond the scope of our review.

We conducted our work from June 1998 through December 1998 in accordance with generally accepted government auditing standards.

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## Agency Comments

We met with USDA officials, including the Director of Budget and officials from related mission areas. USDA generally agreed with our presentation of the agencies' activities. However, the officials expressed concern that the report could be somewhat misleading. They believed that USDA's activities were different from the activities of other federal agencies in terms of the clientele served and the precise services or assistance provided. They

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suggested that the report's presentation could be improved by clarifying the definition of similar activities, the extent to which these similar activities were part of the agencies' overall mission, and the differences in the clientele served by the agencies. They also suggested some technical changes. We made modifications to the report as appropriate to reflect these concerns and suggestions, including clarifying that the activities we classify as similar may not be directed at the same clientele and may also be only a part of the overall mission of the other federal agencies.

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As agreed with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days after the date of this letter. At that time, we will provide copies of this report to the Senate Committee on Agriculture, Nutrition, and Forestry and the House Committee on Agriculture; other interested congressional committees; the Secretary of Agriculture; and the Director, Office of Management and Budget. We will also make copies available to others on request.

Please call me at (202) 512-5138 if you or your staff have any questions about this report. Major contributors to this report are listed in appendix VIII.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Lawrence J. Dyckman".

Lawrence J. Dyckman  
Director, Food and  
Agriculture Issues



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**Abbreviations**

AMS	Agricultural Marketing Service
APHIS	Animal and Plant Health Inspection Service
ARS	Agricultural Research Service
CNPP	Center for Nutrition Policy and Promotion
CSREES	Cooperative State Research, Education, and Extension Service
EPA	Environmental Protection Agency
ERS	Economic Research Service
FAS	Foreign Agricultural Service
FCIC	Federal Crop Insurance Corporation
FDA	Food and Drug Administration
FHA	Federal Housing Administration
FNS	Food and Nutrition Service
FS	Forest Service
FSA	Farm Service Agency
FSIS	Food Safety and Inspection Service
GIPSA	Grain Inspection, Packers and Stockyards Administration
HHS	Department of Health and Human Services
HUD	Department of Housing and Urban Development
NASA	National Aeronautics and Space Administration
NASS	National Agricultural Statistics Service
NRCS	Natural Resources Conservation Service
RBS	Rural Business-Cooperative Service
RHS	Rural Housing Service
RMA	Risk Management Agency
RUS	Rural Utilities Service
USDA	U.S. Department of Agriculture
WIC	Special Supplemental Nutrition Program for Women, Infants, and Children



# Food Safety Mission Area

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The Food Safety Mission Area includes the Food Safety and Inspection Service (FSIS). This mission area represented 1 percent of USDA's fiscal year 1997 budget.

FSIS' mission is to ensure that meat, poultry, and egg products are wholesome, unadulterated, and properly labeled and packaged. FSIS conducts inspections at meat, poultry, and other processing plants. The U.S. Department of Agriculture (USDA) has been involved in food safety since the late 1800s, when it began investigating food adulteration. Many FSIS activities originated with the Meat Inspection Act of 1906, which was passed in response to unsanitary conditions in meat-packing houses.

The Food and Drug Administration (FDA) also conducts inspections at food processing plants—except for most meat and poultry plants—to ensure that food products are safe, sanitary, nutritious, wholesome, and are honestly labeled. We have reported that this division of responsibility is ineffective and inefficient and have recommended the formation of a single food safety agency. On August 25, 1998, the President issued an Executive Order establishing a President's Council on Food Safety to develop a comprehensive strategic plan for federal food safety activities, including a coordinated food safety budget.

For further information, see Food Safety: Weak and Inconsistently Applied Controls Allow Unsafe Imported Food to Enter U.S. Commerce (GAO/T-RCED-98-271, Sept. 10, 1998); Food Safety: Opportunities to Redirect Federal Resources and Funds Can Enhance Effectiveness (GAO/RCED-98-224, Aug. 6, 1998); Food Safety: Federal Efforts to Ensure Imported Food Safety Are Inconsistent and Unreliable (GAO/T-RCED-98-191, May 14, 1998); Food Safety: Federal Efforts to Ensure the Safety of Imported Foods Are Inconsistent and Unreliable (GAO/RCED-98-103, Apr. 30, 1998); and Food Safety: Fundamental Changes Needed to Improve the Nation's Food Safety System (GAO/T-RCED-98-24, Oct. 8, 1997).

# Natural Resources and Environment Mission Area

The Natural Resources and Environment Mission Area is composed of the Forest Service (FS) and the Natural Resources Conservation Service (NRCS). This mission area represented 6 percent of USDA's fiscal year 1997 budget.

## Similar Activities at the Forest Service and Other Agencies

FS' mission is to sustain the health, productivity, and diversity of the nation's forests and rangelands. FS uses multiple-use management of these lands to produce sustained yields for renewable resources such as wood, water, forage, and wildlife, and to provide recreation to meet the diverse needs of people. FS also conducts research, provides assistance to state and private landowners, assesses the nation's natural resources, and provides international assistance and scientific exchanges. FS was formed in 1905 when the jurisdiction over the National Forests was transferred from the Department of the Interior to USDA.

The Bureau of Land Management, the Fish and Wildlife Service, and the National Park Service—all within the Department of the Interior—perform some land management activities that have become similar over time to those conducted by FS, as we have reported. Because the agencies perform numerous similar activities and have complex and sometimes conflicting laws governing their land management activities, we have concluded that improving the efficiency and effectiveness of land management activities could occur either by combining agencies or by streamlining the existing structure through the coordination and integration of functions, activities, and field locations.

For further information, see Forest Service Decision-Making: A Framework for Improving Performance (GAO/RCED-97-71, Apr. 29, 1997); Federal Land Management: Streamlining and Reorganization Issues (GAO/T-RCED-96-209, June 27, 1996); Ecosystem Management: Additional Actions Needed to Adequately Test a Promising Approach (GAO/RCED-94-111, Aug. 16, 1994).

## Similar Activities at the Natural Resources Conservation Service and Other Agencies

NRCS' mission is to assist farmers and ranchers in protecting soil, water, and related resources while sustaining the profitable production of food and fiber. The activities of NRCS, formerly the Soil Conservation Service, include providing technical assistance to individuals; communities; watershed groups; tribal governments; federal, state and local agencies; and others. NRCS also develops conservation standards, which are specifications and guidelines to ensure that the conservation systems

recommended to landowners and communities nationwide are technically sound.

The Department of the Interior's Bureau of Reclamation performs some activities similar to NRCS'. The Bureau's activities include the management, development, and protection of water and related resources. In addition, we have reported that 72 federal programs directly or indirectly support water quality protection, including the Environmental Quality Incentives Program, administered by NRCS, which provides cost-share payments to landowners for, among other things, the protection of water and related resources.

For further information, see Water Quality: A Catalog of Related Federal Programs (GAO/RCED-96-173, June 19, 1996).

# Farm and Foreign Agricultural Services Mission Area

The Farm and Foreign Agricultural Services Mission Area includes the Foreign Agricultural Service (FAS), the Farm Service Agency (FSA), and the Risk Management Agency (RMA). This mission area represented 27 percent of USDA's fiscal year 1997 budget.

## Similar Activities at the Foreign Agricultural Service and Other Agencies

FAS' mission is to serve U.S. agriculture's interests by expanding export opportunities for U.S. agricultural, fish, and forest products and promoting world food security. Established as an agency in 1953, FAS administers a variety of export promotion, technical, and food assistance programs around the world in cooperation with other federal, state, and local agencies as well as private sector and international organizations. FAS also collects, analyzes, and disseminates agricultural information about global supply and demand, trade trends, and emerging market opportunities.

The Department of Commerce's International Trade Administration and the U.S. Trade and Development Agency perform some activities similar to FAS'. The International Trade Administration promotes U.S. exports and U.S. businesses' access to foreign markets on behalf of all U.S. business interests, not just agriculture. The Trade and Development Agency assists in creating jobs for Americans by helping U.S. companies pursue overseas business opportunities, including agriculture. We have reported that federal export activities are fragmented among several agencies and could better serve the nation's business interests through closer cooperation. USDA is part of an interagency Trade Promotion Coordinating Committee, along with the Departments of State and Commerce, that has been charged with developing a governmentwide strategic plan for strengthening federal services to promote exports.

For further information, see Export Promotion: Governmentwide Plan Contributes to Improvements (GAO/T-GGD-94-35, Oct. 26, 1993); Export Promotion: Initial Assessment of Governmentwide Strategic Plan (GAO/T-GGD-93-48, Sept. 29, 1993); Export Promotion: Governmentwide Strategy Needed for Federal Programs (GAO/T-GGD-93-7, Mar. 25, 1993).

## Similar Activities at the Farm Service Agency and Other Agencies

FSA's mission is to ensure the well-being of American agriculture and the American public through the administration of programs for farm commodities, farm loans, conservation, emergency assistance, and domestic and international food assistance. A number of these programs can be traced to the Great Depression, when many farmers were struggling to survive financially, in part because high productivity was lowering the

prices they received for their crops. These programs were designed to help raise agricultural prices, increase farm income, and improve the quality of life in rural America.

While most of FSA's activities are not similar to those of other federal agencies, its farm lending services are in some ways similar to those of the Farm Credit System. The Farm Credit System is a federally chartered network of borrower-owned lending institutions and related service organizations. These lending institutions specialize in providing credit-related services to creditworthy farmers, ranchers, and producers. FSA lends to farmers who do not qualify for loans from the Farm Credit System and other commercial lenders.

In addition, the Federal Emergency Management Agency and the Small Business Administration conduct some similar disaster assistance activities, but their clientele are different. The Federal Emergency Management Agency provides low-interest loans following natural disasters to cover expenses not covered by state or local programs or private insurance. Similarly, the Small Business Administration has several programs to help businesses and homeowners recover from disasters. For example, its Economic Injury Disaster Loans program provides working capital to small businesses and agricultural cooperatives to assist them in recovering from disasters.

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## Similar Activities at the Risk Management Agency and Other Agencies

RMA's mission is to provide and support cost-effective means for managing risk for agricultural producers in order to improve the economic stability of agriculture. RMA provides producers with a variety of crop and revenue insurance programs through the Federal Crop Insurance Corporation (FCIC). These programs are offered primarily through private companies that contract with and are reinsured by FCIC. Typically, federal crop insurance covers unavoidable production losses resulting from any adverse weather conditions, including drought, excessive rain, hail, wind, hurricanes, tornadoes, and lightning. In some cases, it also covers unavoidable losses as a result of insect infestation, plant disease, floods, fires, and earthquakes.

While other federal agencies provide other types of insurance, such as flood insurance, no other federal agencies provide crop insurance.

# Rural Development Mission Area

The Rural Development Mission Area consists of the Rural Housing Service (RHS), Rural Business-Cooperative Service (RBS), and the Rural Utilities Service (RUS). This mission area represented 13 percent of USDA's fiscal year 1997 budget.

## Similar Activities at the Rural Housing Service and Other Agencies

RHS' mission is to enhance the quality of life in rural America and help build competitive, vibrant rural communities through its community facilities and housing programs. RHS administers direct and guaranteed housing loan programs for moderate- and low-income rural residents, as well as grants to public and quasi-public organizations, nonprofit associations, and certain Indian tribes, for essential community facilities, such as health care, public safety, and public service. With the passage of the Housing Act of 1949, USDA was authorized to provide loans to help farmers build or repair houses and other farm buildings. Over time, the act has been amended to authorize housing loans and grants to rural residents in general.

The Department of Housing and Urban Development (HUD) and the Department of Veterans Affairs conduct some activities similar to RHS'. While all these agencies provide affordable housing, their clientele are somewhat different. For example, HUD provides loans primarily to individuals in urban areas, Veterans Affairs to veterans, and RHS to rural communities.<sup>13</sup> We have reported that although a number of other federal programs share HUD's mission to assist households that may be underserved by the private market, none reach as many households as HUD's Federal Housing Administration.

For further information, see Rural Housing Programs: Opportunities Exist for Cost Savings and Management Improvement, (GAO/RCED-96-11, Nov. 16, 1995); Homeownership: FHA's Role in Helping People Obtain Home Mortgages, (GAO/RCED-96-123, Aug. 13, 1996).

<sup>13</sup>An Office of Rural Housing and Economic Development was established in HUD by the Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act of 1999. The purpose of this office is to support innovative housing and economic development activities in rural areas.

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## Similar Activities at the Rural Business-Cooperative Service and Other Agencies

RBS' mission is to provide leadership in building competitive businesses and sustainable cooperatives that can prosper in the global marketplace. RBS invests its financial resources and technical assistance in businesses and cooperatives and builds partnerships to leverage public, private, and cooperative resources to create jobs and stimulate rural economic activity.

The Department of Commerce's Economic Development Administration, HUD, and several independent agencies, such as the Small Business Administration and the Appalachian Regional Commission, conduct some activities similar to RBS'. All of these agencies provide loans and/or grants for the economic development of communities throughout the nation. However, while the activities of some of these agencies, such as RBS, are national in scope, others have a more narrowly focused clientele. For example, the Appalachian Regional Commission supports economic development only in Appalachia.

For further information, see Economic Development Activities: Overview of Eight Federal Programs (GAO/RCED-97-193, Aug. 28, 1997); Economic Development: Limited Information Exists on the Impact of Assistance Provided by Three Agencies (GAO/RCED-96-103, Apr. 3, 1996); Economic Development Programs (GAO/RCED-95-251R, July 28, 1995); Rural Development: Federal Programs That Focus on Rural America and Its Economic Development (GAO/RCED-89-56R, Jan. 19, 1989); Rural Development: Availability of Capital for Agriculture, Business, and Infrastructure (GAO/RCED-97-109, May 27, 1997).

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## Similar Activities at the Rural Utilities Service and Other Agencies

RUS' mission is to serve a leading role in improving the quality of life in rural America by administering its electric, telecommunications, and water and waste programs. RUS' activities include providing loans and grants primarily to (1) electric and telephone cooperatives to deliver electric and telecommunications services to rural areas and (2) public bodies and nonprofit associations to provide water and waste water disposal. These activities originated in the 1930s when only 13 percent of U.S. farms had electricity, only 34 percent had any form of telephone service, and many rural communities did not have safe drinking water.

A number of other federal agencies provide some similar telecommunications and wastewater activities to support rural communities. The Departments of Commerce, Defense, Education, Health and Human Services (HHS), Justice, and Veterans Affairs, as well as the National Aeronautics and Space Administration (NASA), National Science

Foundation, and Appalachian Regional Commission conduct or sponsor telecommunications activities, including distance learning and/or telemedicine initiatives; and EPA, HUD, HHS, and Commerce provide federal funding and technical assistance to help small communities plan, design, and build water and wastewater systems. In addition, although not in the form of federal assistance, the Department of Energy's Power Marketing Administrations—such as the Bonneville Power Administration—and the Tennessee Valley Authority sell electricity to rural communities. We previously reported that in December 1995 at least 28 federal programs administered by 15 federal agencies provided funds that were either specifically designated for telecommunication projects in rural areas or could be used for that purpose. In 1995, we reported that 17 different programs administered by eight federal agencies provided funds that were designed specifically for, or that could be used by, rural areas for constructing, expanding, or repairing water and wastewater facilities.

For further information, see Rural Development: Financial Condition of the Rural Utilities Service's Loan Portfolio (GAO/RCED-97-82, Apr. 11, 1997); Rural Utilities Service: Opportunities to Operate Electricity and Telecommunications Loan Programs More Effectively (GAO/RCED-98-42, Jan. 21, 1998); Federal Electricity Activities: The Federal Government's Net Cost and Potential for Future Losses, Volumes 1 and 2 (GAO/AIMD-97-110 and GAO/AIMD-97-110A, Sept. 19, 1997); Rural Development: Steps Towards Realizing the Potential of Telecommunications Technologies (GAO/RCED-96-155, June 14, 1996); Rural Development: Patchwork of Federal Water and Sewer Programs Is Difficult to Use (GAO/RCED-95-160BR), Apr. 13, 1995); Telemedicine: Federal Strategy Is Needed to Guide Investments (GAO/NSIAD/HEHS-97-67, Feb. 14, 1997).

# Research, Education, and Economics Mission Area

The Research, Education, and Economics Mission Area includes the National Agricultural Statistics Service (NASS), the Agricultural Research Service (ARS), the Cooperative State Research, Education, and Extension Service (CSREES), and the Economic Research Service (ERS). This mission area represented 3 percent of USDA's fiscal year 1997 budget.

## Similar Activities at the National Agricultural Statistics Service and Other Agencies

NASS' mission is to serve U.S. agriculture and its rural communities by providing objective statistical information and services. NASS collects and disseminates agricultural statistics, including the Census of Agriculture. NASS carries out many of its activities with the support of state departments of agriculture, land-grant universities, and the agricultural industry through cooperative agreements that provide financial support and are also designed to prevent duplication of effort in acquiring data from farmers and in setting estimates of states' agricultural production.

At least 10 other agencies in the federal government (including ERS within USDA) conduct some activities related to statistics. We have reported that while this decentralized system contributes to inefficiency, the consolidation of this function could result in diminished responsiveness to some customers and possible objections to the concentration of data in a single agency.

For further information, see Statistical Agencies: Consolidation and Quality Issues (GAO/T-GGD-97-78, Apr. 9, 1997).

## Similar Activities at the Agricultural Research Service and Other Agencies

ARS, USDA's principal in-house research agency, has as its primary mission conducting research to develop and transfer solutions to agricultural problems of high national priority. The research is designed to (1) ensure the quality and safety of food and other agricultural products, (2) assess the nutritional needs of Americans, (3) sustain a competitive agricultural economy, (4) enhance the natural resource base and the environment, and (5) provide economic opportunities for rural citizens, communities, and society as a whole.

While other federal agencies—the Departments of Commerce, Defense, Energy, HHS, the Interior, and Transportation, and EPA, and NASA—conduct research activities, none perform similar agricultural research activities. In a 1995 review of federal research laboratories, we found 515 separate federal research and development laboratories, including those operated by contractors, in 17 federal departments and agencies. USDA reported the

largest number of laboratories (185). However, laboratories for Defense, Energy, HHS, and NASA accounted for 88 percent of the funding.

For further information, see Federal R & D Laboratories (GAO/RCED/NSIAD-96-78R, Feb. 29, 1996).

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### Similar Activities at the Cooperative State Research, Education, and Extension Service and Other Agencies

Unlike ARS, which performs research, CSREES administers grants for agricultural research, extension and higher education at colleges, universities, and other institutions—both public and private—around the nation. CSREES provides funding to scientists to support research on such matters as biological, environmental, physical, and social sciences relevant to agriculture and food and the environment.

We have reported that CSREES provides research funds for activities, such as water quality protection and/or enhancement, that other federal agencies are involved in.

For further information, see Water Quality: A Catalog of Related Federal Programs (GAO/RCED-96-173, June 19, 1996).

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### Similar Activities at the Economic Research Service and Other Agencies

ERS' mission is to provide economic analysis on issues related to agriculture, food, the environment, and rural development to assist public and private decision makers. ERS' mission has its antecedents in USDA's efforts in the early 1900s to examine farm management issues, reflecting a new interest in economic questions relating to agriculture.

Other federal agencies conduct economic analysis. However, ERS is the primary agency that analyzes agricultural activities.

# Food, Nutrition, and Consumer Services Mission Area

This mission area includes the Food and Nutrition Service (FNS), which administers 15 domestic food assistance programs, and the Center for Nutrition Policy and Promotion (CNPP), which coordinates nutrition policy in USDA. This mission area represented 47 percent of USDA's fiscal year 1997 budget.

## Similar Activities at the Food and Nutrition Service and Other Agencies

FNS' mission is to provide children and needy families with access to a more healthful diet through its food assistance programs and nutrition education. To carry out this mission, FNS administers 15 separate domestic food assistance programs—the largest being the Food Stamp Program, which provides employment and training as well as nutrition assistance—in partnership with the states.

HHS conducts some similar food assistance and nutrition activities. For example, HHS' Maternal and Child Health Bureau provides nutrition education activities that are similar to FNS' program—the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). Both agencies provide funding to the states to meet the nutritional and developmental needs of mothers and children.

In addition, both HHS and FNS conduct similar activities to improve the nutrition of the elderly. FNS provides subsidies—cash and/or commodity food reimbursements—to nutrition programs that provide meals to the elderly in a group setting or in their home, while HHS, for the most part, administers the program and provides most of the funding for these programs. We previously reported that one alternative to reducing costs and streamlining operations in USDA would be to consolidate the meal programs for the elderly in HHS, thereby giving the funding responsibility to the agency that provides the most funding and has overall oversight responsibilities for meal programs for the elderly.

Furthermore, like FNS' Food Stamp Program, other federal programs provide employment and training programs. These programs include, for example, HHS' Temporary Assistance for Needy Families, the Department of Labor's Job Training Partnership Act Program, and HUD's Family Self-Sufficiency Program. We have reported that one way to reduce the cost of the Food Stamp Program would be to eliminate its employment and training component since the services could be provided by other existing employment and training programs.

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For further information, see Food Assistance: USDA's Multiprogram Approach (GAO/RCED-94-33, Nov. 24, 1993); Food Assistance Programs (GAO/RCED-95-115R, Feb. 28, 1995); Multiple Employment Training Programs: Major Overhaul Needed to Create a More Efficient, Customer-Driven System (GAO/T-HEHS-95-70, Feb. 6, 1995).

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## Similar Activities at the Center for Nutrition Policy and Promotion and Other Agencies

CNPP is responsible for improving the nutritional status of Americans by serving as the focal point within USDA for linking scientific research to the consumer. CNPP develops and coordinates nutrition policy within USDA, assesses the cost-effectiveness of government-sponsored nutrition programs, periodically reports on the cost of family food plans and of raising children, investigates techniques for communicating effectively with Americans about nutrition, and evaluates the nutrient content of the U.S. food supply.

While other federal agencies conduct, or contract to conduct, nutrition research projects, CNPP actually translates nutrition research into materials for health professionals, corporations, and consumers.

For further information, see Food Assistance: Information on USDA's Research Activities (GAO/RCED-98-56R, Jan. 29, 1998).

# Marketing and Regulatory Programs Mission Area

The Marketing and Regulatory Programs Mission Area consists of three agencies—Agricultural Marketing Service (AMS), Animal and Plant Health Inspection Service (APHIS), and Grain Inspection, Packers and Stockyards Administration (GIPSA). This mission area represented about 2 percent USDA's fiscal year 1997 budget.

## Similar Activities at the Agricultural Marketing Service and Other Agencies

AMS' mission is to facilitate the strategic marketing of agricultural products in domestic and international markets, ensure fair trading practices, and promote a competitive and efficient marketplace to the benefit of producers, traders, and consumers of U.S. food and fiber products. To carry out its mission, AMS engages in a number of activities, such as collecting and disseminating time-sensitive agricultural market information, grading and certifying the quality of agricultural commodities, overseeing industry-financed research and promotion programs, implementing national organic production and labeling standards, and administering the milk marketing order program. The agency also administers a regulatory program covering dealers in the fruit and vegetable industry to promote fair trading.

Three other federal agencies perform some activities similar to AMS'. The National Marine Fisheries Service in the Department of Commerce conducts, on a fee-for-service basis, a voluntary seafood inspection and grading program that focuses on marketing and the quality attributes of U.S. fish and shellfish. The National Institute of Standards and Technology, also in the Department of Commerce, promotes overall U.S. economic growth by working with industry to develop and apply technology, measurements, and standards, although it has no specific responsibilities in the agricultural area, and it does not provide grading services as AMS does. The Federal Trade Commission, an independent agency, also administers regulatory programs to promote fair trading practices, but its programs are aimed at protecting consumers rather than dealers.

## Similar Activities at the Animal and Plant Health Inspection Service and Other Agencies

APHIS' mission is to anticipate and respond to issues involving animal and plant health, conflicts with wildlife, environmental stewardship, and animal well-being. APHIS regulates the import of agricultural products into the United States to reduce the risk posed by exotic pests and diseases; monitors animal and plant health to detect endemic and exotic diseases and pests; conducts regulatory activities to ensure the humane care of animals used in research, exhibition, or the wholesale pet trade; provides

federal leadership in managing problems caused by animal pests and diseases and wildlife; and ensures that veterinary biological products are safe, pure, potent, and effective. Its core functions and activities originated in the 1880s after outbreaks of contagious animal diseases led to the barring of U.S. meat from some European markets.

FDA's Center for Veterinary Medicine evaluates and approves animal drug products to protect animal and human health.

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## Similar Activities at the Grain Inspection, Packers and Stockyards Administration and Other Agencies

GIPSA, which is made up of the former Federal Grain Inspection Service and the former Packers and Stockyards Administration, has as its mission facilitating the marketing of livestock, poultry, meat, cereals, oilseeds, and related agricultural products and the promotion of fair and competitive trading practices for the overall benefit of consumers and American agriculture. GIPSA sets quality standards, provides inspection and weighing services, and enforces the Packers and Stockyards Act. This act protects members of the livestock, poultry, and meat industries against unfair or monopolistic practices. It also protects consumers against unfair business practices in the marketing of meats and poultry.

Two other federal agencies perform some activities similar to GIPSA's. As discussed earlier, the Department of Commerce's National Institute of Standards and Technology promotes overall U.S. economic growth by working with industry to develop and apply technology, measurements, and standards, but it has no specific responsibilities in the agricultural area and does not carry out actual weighing and grading activities as does GIPSA. The Federal Trade Commission also enforces laws to prevent fraud, deception, and unfair business practices in the marketplace and to prevent anticompetitive mergers and other anticompetitive business practices in the marketplace, activities that are similar to the packers and stockyards activities performed by GIPSA.

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# Major Contributors to This Report

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